CITY OF MORGAN HILL
BELOW MARKET RATE HOUSING PROGRAM
INFORMATION SHEET 2005/2006

WHO IS ELIGIBLE?

First time homebuyers, who live or work in Morgan Hill, and meet the gross annual income limits listed below. Current Morgan Hill residents who have been living in Morgan Hill for a year or more will have first priority.

Number of Persons in Household

Income Level	1	2	3	4	5
Lower	FOR HOMES AT THIS INCOME LEVEL, THE INTEREST LIST IS CLOSED UNTIL FURTHER NOTICE				
Median	$59,401- $73,850	$67,901- $84,400	$76,4001 - $94,950	$84,901- $105,500	$ 91,651- $113,950
Moderate	$73,851 $88,600	$84,401 - $101,300	$94,951 - $113,950	$105,501-$126,600	$113,951-$136,750

The Below Market Rate Program includes NEW HOMES in NEW SUBDIVISIONS, where in most instances the market rate homes begin at over $600,000. The BMR homes range in price from $137,050 to $330,995 for 2, 3, and 4 bedroom homes to serve low to moderate income households. Also, as resales occur, these will be offered to the eligible applicants.

WHAT IS A FIRST TIME HOMEBUYER?

The BMR Program defines the following as first time homebuyers:
1) Those who haven't owned a home in the last three years;
2) Newly single head of households with minor children who may have been homeowners within the last three years but meet the income eligibility requirements;
3) Those who currently work in Morgan Hill, have sold their home in another County or State within last three years, are current renters and meet the income eligibility requirements.

HOW DO I FINANCE MY PURCHASE?

Although the City does not provide direct mortgage assistance, the City's Housing Division provides information on programs available to first-time homebuyers; programs like the Mortgage Credit Certificate.

CAN I SELL MY BMR HOME AT ANY TIME IN THE FUTURE?

Absolutely. Each BMR home is governed by a Resale Agreement which requires that the home be owner-occupied, gives the City the first option to buy your home and restricts the resale of the home for 45 years.

Here's how it works. . .the resale formula is designed to give you a fair rate of return on your investment. For example, if you bought a BMR home for $104,360 in 1990, your resale price today would be $171,200. Coupled with the reduction in the mortgage since the time of purchase, you would gain a **profit of over $65,000.**

DOES THE CITY ALLOW CO-SIGNERS?
The City allows co-signers for **loan qualifying only**, not as co-buyers, unless all the buyers are qualifying under the City's maximum allowable income limits.

HOW CAN I PARTICIPATE?
The City of Morgan Hill's *Below Market Rate (BMR) Home Ownership Program* will be processing program applications as follows:

<u>Morgan Hill Residents (First Priority "A")</u>:
Eligible program participants will complete an Interest List Application and will be added to the first priority interest list on the day the Interest List Application is received. A postcard will be mailed to you to confirm receipt of your application.

Approximately one year prior to the offering of a home, you will complete a formal application. Applicants will be asked to purchase a BMR application for $30.00 a non-refundable fee, and attend an information session. This is the phase where you will be asked to provide **all** the documentation required to purchase a BMR home. This information includes, but is not limited to, residency and income verification, three years complete federal tax returns, loan pre-qualification letter, proof of the downpayment, closing costs, etc.

During the waiting period, applicants are recommended to continue saving funds for the downpayment, special assessments, closing costs, and clear any discrepancies or negative listings on their credit report.

<u>Work in Morgan Hill (Priority "B")</u>:
Eligible program participants who work in Morgan Hill will complete an Interest List Application and will be added to the second priority interest list on the day the Interest List Application is received. Names on this list will be purged on the third anniversary.

<u>Removal from List</u>:
If this office tries to contact you for any reason and your contact information (name, address, phone number) is not current, you name will be removed from the Interest List.

Should you have any additional questions or concerns, please feel free to contact the Housing Services office at (408) 776-7373 or by e-mail at bahs@morgan-hill.ca.gov

BUSINESS ASSISTANCE and HOUSING SERVICES
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MORGAN HILL, CA 95037-4128
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CITY OF MORGAN HILL

BMR PURCHASE INTEREST LIST

For office use only
ID #: _____
ID #: _____
Staff's Initials: _____

Work Phone: _____

Home Phone: _____

Name: _____

Address: _____
Street Address

_____
City   Zip Code

_____
Occupation   Employer's Name   Address

_____
Occupation   Employer's Name   Address

Check box for Household size: ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8
Gross Annual Household Income: $_____

Check box if Lower Income Household but applying for Median Income Housing   ☐

Check box(es) for Number of Bedrooms desired : ☐1   ☐2   ☐3   ☐4
(May check more than one box)

For placement in the "A" Priority:
☐   Check box if Morgan Hill Resident, a resident since: _____

For placement in the "B" Priority:
☐   Check box if employed in Morgan Hill. List employer's address in the space below:
_____

I have read the program's information sheet. I understand that among other things the BMR program is based on income qualifications and that the figures are updated once a year. To prevent cancellation, I need to update the address and/or phone when changes occur. _____
Initial

I understand that applications on the B category will be contacted only if a buyer cannot be identified from the Morgan Hill residents list. These names will be purged on the third anniversary. _____
Initial

I have completed the return card for the City to reply; the City is not responsible for non-delivery problems or delays with the Post Office. _____
Initial

I/we hereby certify, under penalty of perjury, that the information set forth above is true and correct.

_____   _____

Date   **Signature**